

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re

Chapter 11

WILLOUGHBY ESTATES LLC

Debtor

Case No. 19-45886 (CEC)

-----X

OBJECTION TO CLAIM #5 of COMMINGLING CLAIMANTS

Willoughby Estates LLC (the “Debtor”), by its attorneys, Nutovic & Associates, as and for its motion (“Motion”) under section 502(a) of the Bankruptcy Code for the entry of an order expunging or reclassifying Claim #5 filed in this case respectfully represents as follows:

BACKGROUND

1. On April 24, 2017 the Debtor, among others, was sued in an action styled *Schonberg Et al v. Strulovitch et a* , 17 Civ. 2161 in the United States District Court for the Eastern District of New York (the “Federal Action”). In the Federal Action plaintiffs sued multiple defendants alleging a Ponzi scheme orchestrated principally by Yechezkel Strulovitch (“Strulovitch”). The plaintiffs included limited liability companies and individual members of those limited liability companies. After the defendants filed a motion to dismiss the Federal Action, the District Court either dismissed or referred certain claims to arbitration which formed the predicate for federal jurisdiction; it then declined to exercise supplemental jurisdiction over the balance of the state court claims. The plaintiffs in the Federal Action have filed a motion for leave to file a third amended complaint which is pending.

2. At the time of the commencement of the Federal Action, CSRE LLC, was the manager of the Debtor.

3. On September 26, 2019, the Debtor filed a petition under Chapter 11 of the Bankruptcy Code. Just prior to the petition being filed, the majority of the holders of membership interests in the Debtor voted to remove CSRE LLC as manager.

4. After the Debtor's case was commenced the Debtor was severed from the Federal Action. On January 17, 2020, certain of the Federal Action plaintiffs including over 130 individuals (the "Individual Claimants") and 23 entities (the "LLC Claimants") (collectively, the "Commingling Claimants") filed claim #5 (the "Claim") (copy annexed as Exhibit A) against the Debtor, substantially mirroring the allegations in the Federal Complaint in a Statement of Claim. The amount of the Claim is listed as unknown.

5. The Claim appends no documents or evidentiary material. The Debtor objects to the Claim and demands that the Commingling Claimants produce documents and other evidentiary material substantiating the allegations made in the Statement of Claim as against the Debtor, failing which it should be expunged. The Debtor also demands that the Commingling Claimants produce evidence quantifying, as against the Debtor, the amount of their Claim.

6. The Debtor requests subordination of the LLC Claimants' Claim pursuant to 11 U.S.C. §510(b) to the extent it arises from the purchase of a security of the Debtor or of an affiliate of the Debtor.

[DELIBERATELY BLANK]

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court grant the Motion expunging or reclassifying the Claim and grant such other relief as may be just and proper.

Dated: Brooklyn, New York
April 6, 2020

Nutovic & Associates

By: s/Isaac Nutovic
Isaac Nutovic
261 Madison Avenue 26th Floor
New York, N.Y. 10016
(212) 421-9100
inutovic@nutovic.com

Fill in this information to identify the case:

Debtor 1 Willoughby Estates LLC
 Debtor 2 _____
 (Spouse, if filing)
 United States Bankruptcy Court Eastern District of New York
 Case number: 19-45886

FILED
U.S. Bankruptcy Court
Eastern District of New York
 1/17/2020
Robert A. Gavin, Clerk

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents**; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	Borch Angel, et al. (See Exhibit A for full list) _____ Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Borch Angel, et al. (See Exhibit A for full list) _____ Name Bronstein, Gewirtz, Attn: Y.E. Soloveichik 60 East 42nd Street, Suite 4600 New York, NY 10165 Contact phone <u>646-382-7160</u> Contact email <u>soloveichik@bgandg.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	Where should payments to the creditor be sent? (if different) _____ Name Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
7. How much is the claim?	\$ unknown _____ <div style="float: right; text-align: right;"> Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A). </div>
8. What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as healthcare information. See Exhibit B–Statement of Claim.
9. Is all or part of the claim secured?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <div style="margin-left: 20px;"> Nature of property: <input type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410–A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ </div> <div style="margin-left: 20px;"> Basis for perfection: _____ </div> <div style="margin-left: 20px;"> Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) </div> <div style="margin-left: 20px;"> Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.) </div> <div style="margin-left: 20px;"> Amount necessary to cure any default as of the date of the petition: \$ _____ Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable </div>
10. Is this claim based on a lease?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____
11. Is this claim subject to a right of setoff?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. <i>Check all that apply.</i>	Amount entitled to priority
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
	<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
	<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
	<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
	<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
	<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies	\$ _____
* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.		

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157 and 3571.

Check the appropriate box:

- ☐ I am the creditor.
☒ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 1/17/2020
 MM / DD / YYYY

/s/ Yitzchak Eliezer Soloveichik

Signature

Print the name of the person who is completing and signing this claim:

Name	<u>Yitzchak Eliezer Soloveichik</u>		
	First name	Middle name	Last name
Title	<u>Attorney</u>		
Company	<u>Bronstein, Gewirtz & Grossman LLC</u>		
	Identify the corporate servicer as the company if the authorized agent is a servicer		
Address	<u>60 East 42nd Street, Suite 4600</u>		
	Number Street		
	<u>New York, NY 10165-1016</u>		
	City State ZIP Code		
Contact phone	<u>646-382-7160</u>	Email	<u>soloveichik@bgandg.com</u>

EXHIBIT A

INDIVIDUAL CLAIMANTS	
1.	Angel, Boruch
2.	Baddiel, Dovid
3.	Baddiel, Hannah
4.	Ball, Alex
5.	Bamberger, Maurice
6.	Bamberger, Meir
7.	Ben-David, Yechiel
8.	Benedikt, Nomi
9.	Benedikt, Yosef Zvi
10.	Ben-Shimon, Yaakov
11.	Ben-Zimra, Avraham
12.	Ben-Zimra, Rachel
13.	Berenshtein, Shlomo Zalman
14.	Biedermann, Michael
15.	Binyamini, Efraim
16.	Biton, Yehudit
17.	Brandwein, Moshe Yom Tov
18.	Cohen, Israel Meir
19.	Cohen-Arazi, Netanel
20.	Daskal, Shlomo Pinchas
21.	Elias, Sholom Mordechai
22.	Elkaim, Isaac
23.	Elkaim, Jakob
24.	Elkaim, Raphael Barouch
25.	Ernster, David Dov
26.	Fischer, Samuel
27.	Frenkel, Batsheva
28.	Gabai, Shmuel
29.	Galinsky, Elimelech
30.	Gelber, Moshe Chaim
31.	Geller, Anthony
32.	Glatstein, Yosef
33.	Goldman, Ester
34.	Goldschmied, Gabriel
35.	Grinfeld, Chezkel
36.	Groskopf, Pinchas
37.	Gross, Nathan
38.	Grossnass, Abraham Joshua
39.	Gutman, Yisrael David
40.	Halpern, Binyomin Mordechai

41. Halpern, David
42. Halpern, Ya'akov Mordechai
43. Hertzog, Yedidya
44. Hirsch, Israel
45. Hirsch, Tzivvia
46. Hirsch-Grunwald, Yvonne
47. Honigsberg, Shmaryahu
48. Itzkowitch, Raizl
49. Jaffe, Esther Selma
50. Jaffe, Gavriel Aryeh
51. Jelen, Debra Gail
52. Kahn, Pinchos
53. Kahna, Haim Shmuel
54. Kaplan, Israel J
55. Katabi, Yinon
56. Keyak, Rachel Bracha
57. Klein, Elisheva
58. Kohen, Hinda
59. Koninski, Isaac
60. Kraus, Moshe Bunim
61. Kruskal, Dina Dvora
62. Kruskal, Yisrael Meir
63. Lavkovitch, Yechiel
64. Lev, Miriam Chaya
65. Lev, Avraham Yeshayahu
66. Levi, Oved
67. Levin, Yaakov
68. Lichtig, Benzion
69. Maimon, Simha
70. Maimon, Yosef
71. Masher, Meshulem
72. Merel, Yakov Israel
73. Merl, Ely
74. Meyer, Mordechai Yaakov
75. Meyer, Sara
76. Michael, Elhanan
77. Motzen, Hana
78. Mozgo, Gavriel
79. Muller, Michael
80. Neufeld, Pinhas Dov
81. Ollech, Burech
82. Ollech, Duvid
83. Ollech, Heini
84. Ollech, Jakob

85.	Orlanchik, Mordechai Zeev
86.	Paskas, Abraham
87.	Posen, Daniel
88.	Rubnitz, Haim Menachem
89.	Ryness, Rivka
90.	Schmerler, Naftali Zvi
91.	Schonberg, Benjamin
92.	Schonberg, Bertha Sara
93.	Schonberg, Jacob
94.	Schwarz, Abraham J.
95.	Schwarz, David Meir
96.	Shapiro, Chaim Bezalel
97.	Shaya, Itamar
98.	Shenker, Shimon
99.	Shlezinger, Elazar David
100.	Shlezinger, Yosef Shlomo
101.	Shlomo, Avishai Mishael
102.	Shtauber, Avinoam
103.	Shtauber, Malka
104.	Shtern, Yossef
105.	Siata Dishmaya LLC
106.	Spitzer, Abraham
107.	Spingarn, Ishak Aron
108.	Spingarn, Lionel
109.	Stein, Fishel
110.	Stein, Menachem
111.	Stein, Moshe
112.	Stein, Moshe David
113.	Stein, Netanel
114.	Steinhaus, Debora Sara
115.	Stern, Shifra
116.	Stern, Yosef Shimon
117.	Stern, Zvi
118.	Stewart, Rachel
119.	Stewart, Samuel
120.	Strasser, David Shalom
121.	Veichelder, Zevulun
122.	Vinberg, Abraham
123.	Weil, Elyashiv Menachem
124.	Weingold, Yisrael Meir
125.	Weiniger, Moshe Dovid
126.	Weisman, Yosef Zvi
127.	Weiss, Meir
128.	Winegarten, Yehuda

129.	Wizman, Yaakov
130.	Yitshaki, David
131.	Zakuta, Avraham
132.	Zelivansky, Yehoshua Natan
133.	Ryness David
134.	Stern Eliyahu

LLC CLAIMANTS	
1.	Bergen Operations LLC
2.	Bushwick Operations LLC
3.	1285 Bushwick Operations LLC
4.	Kingston Operations LLC
5.	Jefferson Operations LLC
6.	369 Gates Operations LLC
7.	853 Lexington Operations LLC
8.	945 Park Place Operations LLC
9.	1078 Dekalb Operations LLC
10.	618 Lafayette Operations LLC
11.	74 Van Buren Operations LLC
12.	325 Franklin Operations LLC
13.	348 St Nicholas Operations LLC
14.	760 Willoughby Operations LLC
15.	Slope Equities Operations LLC
16.	454 Central Avenue Operations LLC
17.	855 Dekalb Avenue Operations LLC
18.	Willoughby Estates Operations LLC
19.	73 Empire Development Operations LLC
20.	980 Atlantic Holdings Operations LLC
21.	720 Livonia Operations LLC
22.	8 Maple Avenue Operations LLC
23.	1301 Putman Operations LLC

EXHIBIT B

Investment Property	Holding Company	LLC Claimant and Member of Holding Company
901 Bushwick Avenue, Brooklyn, NY 11221	901 Bushwick Avenue LLC	Bushwick Operations LLC
908 Bergen Street, Brooklyn, NY 11238	908 Bergen Street LLC	Bergen Operations LLC
106 Kingston Avenue, Brooklyn, NY 11213	106 Kingston LLC	Kingston Operations LLC
1213 Jefferson Avenue, Brooklyn, NY 11221	1213 Jefferson LLC	Jefferson Operations LLC

369 Gates Avenue, Brooklyn, NY 11216	Gates Equity Holdings LLC	369 Gates Operations LLC
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853 Lexington Avenue, Brooklyn, NY 11221	853 Lexington LLC	853 Lexington Operations LLC
945 Park Place, Brooklyn, NY 11213	945 Park Pl LLC	945 Park Place Operations LLC

1078 Dekalb Avenue, Brooklyn, NY 11221	1078 Dekalb LLC	1078 Dekalb Operations LLC
618 Lafayette Avenue, Brooklyn, NY, 11216	618 Lafayette LLC	618 Lafayette Operations LLC
74 Van Buren Street, Brooklyn, NY 11221	74 Van Buren LLC	74 Van Buren Operations LLC
325 Franklin Avenue, Brooklyn, NY 11238	325 Franklin LLC	325 Franklin Operations LLC
760-762 Willoughby Avenue, Brooklyn, NY 11206	762 Willoughby LLC	760 Willoughby Operations LLC

657-665A 5th Avenue, Brooklyn, NY 11215	657-665 5th Avenue LLC	Slope Equities Operations LLC
454 Central Avenue, Brooklyn, NY 11205	454 Central Avenue LLC	454 Central Avenue Operations LLC

855 Dekalb Avenue, Brooklyn, NY 11211	855 Dekalb Avenue LLC	855 Dekalb Avenue Operations LLC
525 Willoughby Avenue, Brooklyn, NY 11206	Willoughby Estates LLC	Willoughby Estates Operations LLC
73 Empire Boulevard, Brooklyn, NY 11225	73 Empire Development LLC	73 Empire Development Operations LLC

980 Atlantic Avenue, Brooklyn, NY 11238	980 Atlantic Holdings LLC	980 Atlantic Holdings Operations LLC
720 Livonia Avenue, Brooklyn, NY 11210	720 Livonia Development LLC	720 Livonia Operations LLC

8 Maple Avenue, Bay Shore, NY 11706	CSY Holdings LLC	8 Maple Avenue Operations LLC
348 St. Nicholas Avenue, New York NY 10027	348 St. Nicholas LLC	348 St. Nicholas Operations LLC
1301 Putnam Avenue, Brooklyn, NY 11221	1301 Putnam LLC	1301 Putnam Operations LLC

**Members of LLC Claimants That Are Named as Individual
Claimants Herein**

Bergen Operations LLC

Gross Nathan
Halpern Binyomin Mordechai
Halpern David
Schonberg Benjamin

Bushwick Operations LLC

Bamberger Meir
Elias Sholom Mordechai
Halpern Binyomin Mordechai
Jelen Debra Gail
Ollech Heini
Schonberg Benjamin
Siata Dishmaya LLC

1285 Bushwick

Bamberger Meir
Elias Sholom Mordechai
Halpern Binyomin Mordechai
Jelen Debra Gail
Ollech Heini
Schonberg Benjamin
Siata Dishmaya LLC

Kingston Operations LLC

Bamberger Meir
Elias Sholom Mordechai
Halpern Binyomin Mordechai
Jelen Debra Gail
Ollech Heini
Schonberg Benjamin
Siata Dishmaya LLC

Jefferson Operations LLC

Baddiel Dovid
Baddiel Hannah
Halpern Binyomin Mordechai
Ollech Duvid
Ryness Rivka
Schonberg Benjamin
Schonberg Bertha Sara
Schonberg Jacob
Siata Dishmaya LLC

369 Gates Operations LLC

Baddiel Dovid
Baddiel Hannah
Halpern Binyomin Mordechai
Ollech Duvid
Ryness Rivka
Schonberg Benjamin
Schonberg Bertha Sara
Schonberg Jacob
Siata Dishmaya LLC

853 Lexington Operations LLC

Angel Boruch
 Baddiel Dovid
 Baddiel Hannah
 Biton Yehudit
 Brandwein Moshe Yom Tov
 Cohen Israel Meir
 Ernster David Dov
 Goldschmied Gabriel
 Halpern Binyomin Mordechai
 Halpern David
 Hertzog Yedidya
 Kahna Haim Shmuel
 Kohen Hinda
 Koninski Isaac
 Kraus Naftali
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Merel Yakov Israel
 Posen Daniel
 Rubnitz Haim Menachem
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Schwarz David Meir
 Shlezinger Yosef Shlomo
 Shlomo Avishai Mishael
 Siata Dishmaya LLC
 Spitzer Abraham
 Steinhaus Debora Sara

945 Park Place Operations LLC

Biton Yehudit
 Halpern Binyomin Mordechai
 Koninski Isaac
 Kraus Naftali
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Ollech Burech
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Siata Dishmaya LLC
 Steinhaus Debora Sara
 Weingold Yisrael Meir
 Yitshaki David

1078 Dekalb Operations LLC

Biton Yehudit
 Halpern Binyomin Mordechai
 Koninski Isaac
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Muller Michael
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Siata Dishmaya LLC
 Steinhaus Debora Sara
 Weingold Yisrael Meir
 Yitshaki David
 Zwiebel Chaja Chava

618 Lafayette Operations LLC

Biton Yehudit
 Halpern Binyomin Mordechai
 Koninski Isaac
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Muller Michael
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Siata Dishmaya LLC
 Steinhaus Debora Sara
 Weingold Yisrael Meir
 Yitshaki David
 Zwiebel Chaja Chava

74 Van Buren Operations LLC

Biton Yehudit
 Brochsztat Shamai Shlomo Aryeh
 Galinsky Elimelech
 Halpern Binyomin Mordechai
 Kraus Naftali
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Michael Elhanan
 Schmerler Naftali Zvi
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Siata Dishmaya LLC

325 Franklin Operations LLC

Binyamini Efraim
 Cohen Israel Meir
 Gelber Moshe Chaim
 Goldman Ester
 Gross Nathan
 Halpern Binyomin Mordechai
 Keyak Rachel Bracha
 Klein Elisheva
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Merel Yakov Israel
 Michael Elhanan
 Orlanchik Mordechai Zeev
 Ryness Rivka
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Shlezinger Elazar David
 Shtaubert (Henig) Malka
 Shtaubert Avinoam
 Siata Dishmaya LLC
 Spitzer Abraham
 Stein Fishel
 Stein Menachem
 Stein Moshe David
 Stein Netanel
 Steinhaus Debora Sara
 Stern Shifra [Yosef Shimon Stern]
 Stern Zvi [Yosef Shimon Stern]
 Strasser David Shalom
 Weiniger Moshe Dovid
 Winegarten Yehuda
 Zelivansky Yehoshua Natan

348 St. Nicholas Operations LLC

Binyamini Efraim
 Biton Yehudit
 Cohen Israel Meir
 Daskal Shlomo Pinchas
 Grinfeld Chezkel
 Halpern Binyomin Mordechai
 Halpern David
 Hirsch Israel
 Hirsch-Grunwald Yvonne
 Jaffe Esther Selma
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Michael Elhanan
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Schwarz Abraham J.
 Shapiro Chaim Bezalel
 Shlezinger Elazar David
 Shtaubert (Henig) Malka
 Shtaubert Avinoam
 Siata Dishmaya LLC
 Spitzer Abraham
 Stein Menachem
 Stein Netanel
 Steinhaus Debora Sara
 Stern Shifra [Yosef Shimon Stern]
 Stern Zvi [Yosef Shimon Stern]
 Stewart Rachel
 Stewart Samuel
 Strasser David Shalom
 Zelivansky Yehoshua Natan

760 Willoughby Operations LLC

Bamberger Meir
 Binyamini Efraim
 Biton Yehudit
 Cohen Israel Meir
 Daskal Shlomo Pinchas
 Goldman Ester
 Grinfeld Chezkel
 Halpern Binyomin Mordechai
 Halpern David
 Hirsch Israel
 Hirsch-Grunwald Yvonne
 Jaffe Esther Selma
 Kruskal Dina Dvora
 Kruskal Yisrael Meir
 Michael Elhanan
 Mozgo Gavriel
 Schonberg Benjamin
 Schonberg Bertha Sara
 Schonberg Jacob
 Schwarz Abraham J.
 Shapiro Chaim Bezalel
 Shlezinger Elazar David
 Shlezinger Yosef Shlomo
 Shtaubert (Henig) Malka
 Shtaubert Avinoam
 Siata Dishmaya LLC
 Spitzer Abraham
 Stein Menachem
 Stein Netanel
 Steinhaus Debora Sara
 Stern Shifra [Yosef Shimon Stern]
 Stern Zvi [Yosef Shimon Stern]
 Stewart Rachel
 Stewart Samuel
 Strasser David Shalom
 Zelivansky Yehoshua Natan

Slope Equities Operations LLC

Baddiel Dovid
 Baddiel Hannah
 Ben-David Yechiel
 Benedikt Nomi
 Benedikt Yosef Zvi
 Ben-Zimra Avraham
 Ben-Zimra Rachel
 Biedermann Michael
 Cohen Israel Meir
 Ehrentreu Mordche Dov
 Elkaim Isaac
 Elkaim Jakob
 Elkaim Raphael Barouch
 Frenkel Batsheva
 Gabai Shmuel
 Gelber Moshe Chaim
 Halpern David
 Hirsch Israel
 Hirsch Tzivia
 Hirsch-Grunwald Yvonne
 Kaplan Israel J
 Kraus Moshe Bunim
 Lev (Ben-Simon) Miriam Chaya
 Lev Avraham Yeshayahu
 Levin Yaakov
 Maimon Simha
 Maimon Yosef
 Meyer Mordechai Yaakov
 Meyer Sara
 Neufeld Pinhas Dov
 Ollech Heini
 Paskas Abraham
 Schmerler Naftali Zvi
 Shaya Itamar
 Shlezinger Elazar David
 Shtern Yossef
 Siata Dishmaya LLC
 Spingarn Ishak Aron
 Stein Moshe David
 Stein Netanel
 Stern Eliyahu
 Stewart Rachel
 Stewart Samuel
 Strasser David Shalom
 Veichelder Zevulun
 Weiss Meir

454 Central Avenue Operations LLC

Baddiel Dovid
 Baddiel Hannah
 Benedikt Nomi
 Benedikt Yosef Zvi
 Brochsztat Shamai Shlomo Aryeh
 Cohen Israel Meir
 Frenkel Batsheva
 Galinsky Elimelech
 Grossnass Abraham Joshua
 Halpern Binyomin Mordechai
 Halpern David
 Hirsch Israel
 Hirsch Tzivia
 Hirsch-Grunwald Yvonne
 Kahn Pinchos
 Katabi Yinon
 Kraus Naftali
 Michael Elhanan
 Motzen (Rosenbaum) Hana
 Schmerler Naftali Zvi
 Schonberg Bertha Sara
 Schonberg Jacob
 Shapiro Chaim Bezalel
 Siata Dishmaya LLC
 Steinhaus Debora Sara
 Stern Yosef Shimon
 Stewart Rachel
 Stewart Samuel
 Winegarten Yehuda

855 Dekalb Avenue Operations LLC

Baddiel Dovid
 Baddiel Hannah
 Benedikt Nomi
 Benedikt Yosef Zvi
 Brochsztat Shamai Shlomo Aryeh
 Cohen Israel Meir
 Frenkel Batsheva
 Galinsky Elimelech
 Grossnass Abraham Joshua
 Halpern Binyomin Mordechai
 Halpern David
 Hirsch Israel
 Hirsch Tzivia
 Hirsch-Grunwald Yvonne
 Kahn Pinchos
 Katabi Yinon
 Kraus Naftali
 Michael Elhanan
 Motzen (Rosenbaum) Hana
 Schmerler Naftali Zvi
 Schonberg Bertha Sara
 Schonberg Jacob
 Shapiro Chaim Bezalel
 Siata Dishmaya LLC
 Steinhaus Debora Sara
 Stern Yosef Shimon
 Stewart Rachel
 Stewart Samuel
 Winegarten Yehuda

Willoughby Estates Operations LI

Bamberger Maurice
 Bamberger Meir
 Binyamini Efraim
 Cohen Israel Meir
 Daskal Shlomo Pinchas
 Fischer Samuel
 Halpern Binyomin Mordechai
 Halpern Ya'akov Mordechai
 Hirsch Israel
 Hirsch-Grunwald Yvonne
 Jaffe Esther Selma
 Jaffe Gavriel Aryeh
 Jelen Debra Gail
 Katabi Yinon
 Keyak Rachel Bracha
 Klein Elisheva
 Koninski Isaac
 Lavkovitch Yechiel
 Lichtig Benzion
 Masher Meshulem
 Ryness Rivka
 Schonberg Bertha Sara
 Schonberg Jacob
 Schwarz Abraham J.
 Shlezinger Elazar David
 Siata Dishmaya LLC
 Stein Moshe
 Strasser David Shalom
 Weingold Yisrael Meir
 Weiniger Moshe Dovid

73 Empire Development Operations	980 Atlantic Holdings Operations	720 Livonia Operations LLC
Ball Alex	Baddiel Dovid	Baddiel Dovid
Elkaim Raphael Barouch	Baddiel Hannah	Baddiel Hannah
Frenkel Batsheva	Benedikt Nomi	Bamberger Maurice
Groskopf Pinchas	Benedikt Yosef Zvi	Berenshtein Shlomo Zalman
Halpern Binyomin Mordechai	Ben-Shimon Yaakov	Geller Anthony
Halpern David	Biton Yehudit	Glatstein Yosef
Hirsch Israel	Groskopf Pinchas	Gross Nathan
Hirsch-Grunwald Yvonne	Gross Nathan	Gutman Yisrael David
Honigsberg Shmaryahu	Halpern Binyomin Mordechai	Halpern Binyomin Mordechai
Katabi Yinon	Halpern David	Halpern David
Kohen Hinda	Itzkowitch Raizl	Kaplan Israel J
Muller Michael	Katabi Yinon	Keyak Rachel Bracha
Ollech Heini	Kohen Hinda	Kohen Hinda
Ollech Jakob	Levi Oved	Muller Michael
Ollech Jakob.	Michael Elhanan	Ryness David
Schonberg Benjamin	Ollech Heini	Schonberg Benjamin
Schonberg Bertha Sara	Schonberg Benjamin	Schonberg Bertha Sara
Schonberg Jacob	Schonberg Bertha Sara	Schonberg Jacob
Shaya Itamar	Schonberg Jacob	Shlezinger Elazar David
Shlezinger Elazar David	Shaya Itamar	Spingarn Ishak Aron
Siata Dishmaya LLC	Shenker Shimon	Stein Fishel
Stein Moshe	Spingarn Ishak Aron	Stein Moshe David
Stern Eliyahu	Spingarn Lionel	Stern Eliyahu
Stewart Rachel	Stern Eliyahu	Stewart Rachel
Stewart Samuel	Stern Yosef Shimon	Stewart Samuel
	Vinberg Abraham	
	Weisman Yosef Zvi	
	Winegarten Yehuda	
	Zelivansky Yehoshua Natan	

8 Maple Avenue Operations 1301 Putnam Operations LLC

Ben-Shimon Yaakov	Elkaim Jakob
Cohen-Arazi Netanel	Elkaim Raphael Barouch
Elkaim Raphael Barouch	Gross Nathan
Ollech Heini	
Ollech Jakob.	
Shaya Itamar	
Shenker Shimon	
Weil Elyashiv Menachem	
Wizman Yaakov	
Zakuta Avraham	

STATEMENT OF CLAIM

1. The Debtor took part in a massive scheme to defraud over 180 people, along with related corporate entities, out of more than \$20,000,000 through the promotion of so-called “investments” in New York real estate. The claimants listed on Exhibit A (collectively, the “Claimants”) are individuals (the “Individual Claimants”)¹ and twenty-three limited liability companies (the “LLC Claimants”) who comprise the substantial majority of the defrauded parties in number and dollar amount. The scheme was masterminded by Yechezkel Strulovitch (“Strulovitch”) and Yechiel Oberlander (“Oberlander”) (collectively, the “Individual Malefactors”).

2. Specifically, the Individual Malefactors persuaded numerous individuals – mostly foreigners – to “invest” collectively over \$20 million in over twenty parcels of real property located in New York City (collectively, the “Investment Properties” and, individually, the “Investment Property”). Those Individual Claimants transferred their money based upon false representations that the Individual Malefactors made in prospectuses, including with respect to the properties’ purchase price, and that the Funds would be used solely to purchase and renovate specific Investment Properties. In return for the transmittal of funds, the Individual Claimants would purchase membership interests in an LLC Claimant. The LLC Claimants, in turn, were given 45 or 46 percent interests in one of twenty-two limited liability companies (collectively, the “Holding Companies” and, individually, a “Holding Company”) that each held title to a respective Investment Property.² CSRE LLC (“CSRE”), an entity wholly owned by the Individual Malefactors, owns the remaining 54 or 55 percent in each Holding Company.

¹ There is one limited liability company, Siata Dishmaya LLC, that is listed as an Individual Claimant, because it was an investor in an LLC Claimant; so, for the sake of clarity, it makes sense to include this limited liability company with the Individual Claimants.

² One LLC Claimant – 1285 Bushwick Operations LLC – never received an interest in a Holding Company, because the intended investment property was never purchased.

3. The Individual Malefactors were the managers of the LLC Claimants until September 2019, when they were removed as managers by the LLC Claimants' members. The Individual Malefactors are the managers of the Holding Companies, with the exception of the Debtor and one other Holding Company.³

4. Rather than use the funds to purchase and develop the Investment Properties, the Individual Malefactors diverted them to other limited liability companies controlled by the Individual Malefactors. These other companies included both (i) the Holding Companies and (ii) other entities (the "Secret LLCs") controlled by the Individual Malefactors that owned and developed properties (the "Secret Properties") in which the Individual Claimants and LLC Claimants held no interest. Some of the funds were diverted by the Individual Malefactors before the funds even reached the LLC Claimants' accounts. Likewise, even when funds reached the LLC Claimants' accounts, they were then diverted by the Individual Malefactors before the funds reached their respective Holding Companies. The funds were commingled in Strulovitch and Oberlander's personal accounts or other accounts controlled by them and then used for unrelated Holding Companies, in which the LLC Claimants had no ownership interest, and/or the Secret LLCs.

5. The Debtor is one of the Holding Companies.

Claimants' Claims

6. The Claimants' claims are based on unjust enrichment, conversion, and securities fraud. The Individual Malefactors diverted Funds from both the Individual Claimants *and* from the LLC Claimants. The Individual Malefactors improperly diverted those funds to, among others, the Debtor. The Debtor retained and used those funds for its own benefit or for the

³ With respect to 657-665 5th Avenue LLC and Willoughby Estates LLC, CSRE transferred a small portion of their ownership interests to individual investors (included among the Individual Claimants), and those investors, together with the LLC Claimant, removed the Individual Malefactors as managers in September 2019.

benefit of other entities owned and/or controlled by the Individual Malefactors, and not for the benefit of the Claimants as intended. The claims by the LLC Claimants are by the LLC Claimants directly; they are not being asserted derivatively on behalf of the LLC Claimants.

7. First, Strulovitch and Oberlander improperly diverted the Claimants' funds to the Debtor. Through its receipt and use of the Claimants' funds, the Debtor exercised dominion and control over personal property belonging to the Claimants, thereby interfering with the Claimants' right to possession of such property, to the Claimants' detriment. Thus, the Claimants have a claim against the Debtor for conversion of their funds.

8. Second, because the Debtor knowingly received and used the converted funds, the Debtor was wrongfully in possession of Claimants' funds and has received substantial benefits from the wrongful possession thereof. Equity and good conscience require that the Debtor return the value of the funds to the Claimants. Thus, the Claimants have a claim against the Debtor for unjust enrichment.

9. Claimants cannot to specify how much money was diverted to each particular Holding Company – including the Debtor – from each particular Claimant, because Claimant needs discovery from the Debtor to ascertain those facts – especially in light of the general commingling of funds by the Individual Malefactors, the Holding Companies and the Secret LLCs. Therefore, discovery is needed by the Claimants so that they can demonstrate at trial the precise amount of their Claims.

10. Based on the Claims, the Debtors are indebted to Claimants for general unsecured liabilities. The general unsecured liabilities are based on funds that were misappropriated to the Debtor from (i) the LLC Claimants, and (ii) funds from the Individual Claimants that were never placed in the LLC Claimants' accounts.

11. In addition, one LLC Claimant, Willoughby Estates Operations LLC, has a claim against the Debtor for securities fraud. The Individual Malefactors made misrepresentations, on behalf of the Debtor, about the Debtor to this LLC Claimant in connection with this LLC Claimant's purchase of membership interests in the Debtor.

12. Exhibit B, annexed hereto, sets for the Holding Companies, the LLC Claimants that are members in the Holding Companies, and the Individual Claimants that are members in the LLC Claimants.